

Calton Dennis Lee
Form 4
March 06, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Calton Dennis Lee

2. Issuer Name and Ticker or Trading Symbol
KBR, INC. [KBR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
601 JEFFERSON, SUITE 3400

3. Date of Earliest Transaction (Month/Day/Year)
03/04/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

EVP, Operations

(Street)
HOUSTON, TX 77002

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or (D) Price | | |
| Common Stock | 03/04/2009 | | A | | 2,012 (1) \$ 0 60,009 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Options | \$ 12.49 | 03/04/2009 | (2) | A | 6,472 | 03/04/2010 03/04/2019 | Common Stock | 6,472 |
| Restricted Stock Unit | \$ 0 | 03/04/2009 | (3) | A | 2,012 | 03/04/2010 03/04/2014 | Common Stock | 2,012 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Calton Dennis Lee 601 JEFFERSON SUITE 3400 HOUSTON, TX 77002 | | | EVP, Operations | |

Signatures

/s/ Jeffrey B. King, attorney-in-fact
03/06/2009
**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These restricted stock units will convert to common stock at a 1-to-1 ratio. The restricted stock units vest over five years with 20% vesting on the first anniversary of the grant date, and 20% on each anniversary thereafter.
- (2) These options vest at a rate of 33 1/3% on the first anniversary, 66 2/3% on the second anniversary and 100% on the third anniversary from the original date of grant.
- (3) These restricted stock units will convert to common stock on a 1-to-1 ratio. These restricted stock units vest over five years with 20% vesting on the first anniversary of the grant date, and 20% on each anniversary thereafter, provided that the company has positive net income for the calendar year preceding the vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.